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September 12, 2002

Rules Processing Team
Department of the Interior
Minerals Management Service
Mail Stop 4024
381 Elden Street
Herndon, Virginia 20170-4817

Re: Comments on Proposed Oil and Gas and Sulphur Operations in the Outer Continental Shelf; Geological and Geophysical (G&G) Explorations of the Outer Continental Shelf – Proprietary Terms and Data Disclosure (ref. 30 CFR 250 and 251)

Dear Sir/Madam:

We support the position of the International Association of Geophysical Contractors (IAGC) on the proprietary terms and data disclosure.

Below we briefly highlight the contribution non-exclusive geophysical information (i.e., seismic data) makes to the vibrant economy in the Gulf of Mexico, recent successes in the deepwater, and the adverse impact the proposed change would have on employment in the community.

- Contribution to Vibrant Economy – WesternGeco levels the playing field and creates the necessary and sustainable business environment that favors competition and transparency. For example, WesternGeco licenses seismic to more than 250 different clients exploring in the Gulf of Mexico. Many of them are not as well funded or capitalized as the supermajors and, if it were not for the availability of non-exclusive seismic data, would not be able to explore in the deepwater or deep shelf. Resetting the start date to permit issue date in effect reduces the return on investment in future non-exclusive seismic programs, hence stifles healthy competition.
- Contribution to Deepwater Successes – WesternGeco's non-exclusive deepwater 3D seismic programs have enabled operators to explore cost effectively and make world-class discoveries in the Gulf. Examples are 'Atlantis' and 'Mad Dog' in Green Canyon and Walker Ridge; and, most notably, 'Thunder Horse' in Mississippi Canyon.



- Adverse Impact – WesternGeco has invested more than \$250 million dollars in delivering just those seismic programs mentioned above, and employed more than 800 in Houston, directly and indirectly when generating the associated geophysical information. By modifying the start date for the 25-year proprietary term pursuant to a permit issued under 30 CFR part 251, it essentially shortens the time window for WesternGeco to extract economic benefits from its investments. As such, investment will be reduced in new non-exclusive seismic programs, and employment adversely affected.

We understand that when an operator makes a commitment to certain geophysical information (e.g. depth imaging), operators can extend the leasehold period for the blocks covered. Through reasoning by equivalence, delivery of non-exclusive depth imaging programs shall also enable seismic companies to extend the 25-year proprietary term.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'Jim White', is written over a large, stylized, and somewhat illegible signature that spans across the signature line and into the name line.

Jim White
Vice President, North and South America